STANDARD

PROCEDURE

E-3010

PROGRAM: **Standard Work Aids**

PROJECT: **Organization for Management**

SUBJECT: **Project Functional Organization Chart**

Authorized by: _____
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Dated on _____
Total Pages 3

1.0   PURPOSE

1.1   The purpose of this procedure is to outline the steps necessary to help us define a functional organization chart for each of our projects.

1.2   A project functional organization chart is used to identify the roles necessary in our project and to provide a visual representation of that framework. Its purpose is to identify the work areas within which we will need to complete major pieces of work and to communicate the same to our team, and others.

2.0   CONCEPT

2.1   All projects have functions, or activities to be performed to produce an end product or service.

2.2   If these functions or activities are placed in logical groupings, they can be arranged under a general responsibility area through which we can assign like activities to one individual for purposes of accountability. Assigning activities to one individual is useful as it simplifies communications, knowledge accumulation and transfer, and also provides something that is usually lacking in many business entities -- accountability.

2.3   Within the structure of our projects these overall functions (i.e. responsibility areas) are then broken down into smaller areas or sub-functional areas. This is also done to provide for accountability of tasks, and duties within these areas.

2.4   Directives, orders and policy changes go down the chart through the chain of command to the respective functional area.

2.5   Reports, information and data flow up the organization (i.e. chart).

2.6   The overriding reason for developing a project functional organization chart is to authorize and communicate accountability for each area of major responsibility and to create a project team that operates with minimal but efficient supervision. While our primary goal is to get the project done, which in turn means getting things done within that structure, an objective is to also facilitate the accumulation and distribution of subject matter in a timely manner so knowledge can be accessible when needed.

3.0   METHODOLOGY FOR DEVELOPING A PROJECT FUNCTIONAL ORGANIZATION CHART:

3.1   In structuring our project team, we take the generic major functional headings and analyze our work effort from that perspective. With roles such as Project Sponsor, Project Steering Committee, Project Manager, Deputy (or Project Lead), Product/Vendor Consultant, Contract Manager, Project Office Lead, Department Coordinator, Subproject Managers, Requirements Analyst or Business Analyst, Technical Architect, Training Manager, and Test Managers, we attempt to categorize our work effort. This is done in order to simplify the completion of our planning and implementation tasks.

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3.2   Under these headings we can then group the tasks that need to be completed in order to complete our project.

3.3   A responsible party should be chosen for each of these functional headings (or those that are applicable to our project) and overall accountability for each area will be assigned to that party.

3.4   Many supervisors ask, "How do I ensure accountability?" In addition to assigning a person to oversee one functional area, the development of subject matter experts is another answer. A "subject matter expert" is a person who "has acquired a special skill or knowledge of a particular subject and manages this area with regard to its activities." To structure a project functional organization properly we need to act as though there are no limitations with regard to a subject matter expert's role in a specific category. Practically speaking however, their activities are subject to the scope, budgetary and resource constraints imposed on the project by the Project Steering Committee and functional managers.

3.5   Since the Subject Matter Expert (SME), can manage a functional area, the team members working in a functional area are to report directly to him or her with regard to tasks defined in their area. By doing so, they are then are able to adhere to the concept that "a person has only one boss ". This is beneficial since the perception is that the completion of the task is simpler since the requirements for completion would be subject to fewer interpretations.

4.0   **NECESSITY:**

4.1   A project functional organization chart is a visual aid that reflects the way you ensure that the work on your project is accomplished. As such, it simplifies the communication process and reflects accountability.

4.2   By setting up the work functionally, you can determine where work is not being accomplished. Also, as an added benefit, by going through this process, you can also minimize or eliminate many areas of duplicate work effort.

4.3   A functional lead is responsible for results, which means that they go to their Deputy with their completed work product, product, or a service that has been fulfilled. Using a project functional organization chart to identify the work areas within which they need to communicate makes the project management process simpler and easier to manage.